

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508

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FOR IMMEDIATE RELEASE
June 19, 1997

97-56
Contact: Jay Ziegler
Kirsten Powers
Christine Wilkas
(202) 395-3230

**HONG KONG ACCEDES TO THE WTO GOVERNMENT
PROCUREMENT AGREEMENT**

U.S. Trade Representative Charlene Barshefsky today welcomed Hong Kong's accession to the WTO Agreement on Government Procurement. She said, "Hong Kong's accession to the Agreement will ensure U.S. exporters of goods and services access to Hong Kong's valuable procurement market, including contracts awarded by Hong Kong's Airport Authority, Mass Transit Railway Corporation, the Kowloon-Canton Railway Corporation and Hong Kong's Civil Aviation Department. Hong Kong's accession is a significant achievement in the United States' efforts to open government procurement markets around the world by increasing participation in the Government Procurement Agreement."

The worldwide market for government procurement accounts for trillions of dollars in commercial transactions each year, including commercially significant purchases of telecommunications networks, electrical power grids and transportation systems. The WTO Government Procurement Agreement requires government agencies to follow non-discriminatory, open and transparent procedures for government procurement. It covers procurements of both goods and services, including construction, and applies to purchases by central and subcentral government agencies, as well as government-owned enterprises.

"Governments are among the largest purchasers of goods and services in the world, yet only the procurements of the 23 signatories to the Government Procurement Agreement are subject to WTO rules requiring non-discriminatory and transparent procurement procedures," said Barshefsky. "As a result, many governments are prevented from obtaining the best value for public expenditures due to the existence of pervasive discriminatory and anti-competitive behavior that distorts the market. Joining the Agreement will benefit Hong Kong by promoting budgetary efficiency and it will benefit exporters of U.S. goods and services by opening up procurement contracts to competitive bidding."

The Government Procurement Agreement, which was originally concluded in 1979 and renegotiated during the Uruguay Round, is one of the plurilateral agreements under the WTO. As such, it is not part of the WTO's single undertaking and its membership is limited to WTO

members that specifically accede to it. Currently, only 23 of the WTO's 131 Members are signatories to the Agreement. Hong Kong is the first new signatory to join the Agreement since its entry into force in 1996. In addition to the United States, the current signatories to the Government Procurement Agreement are: Aruba, Canada, the 15 Member States of the European Union, Israel, Japan, Korea, Norway, and Switzerland. The commitments under the Agreement are applied on the basis of bilateral, reciprocal commitments obtained from other signatories.

Hong Kong's accession will take effect June 19, 1997.